

The Legislative Fiscal Division

Presents:

Profile of...

Montana Historical Society

State of Montana



Agency Profile

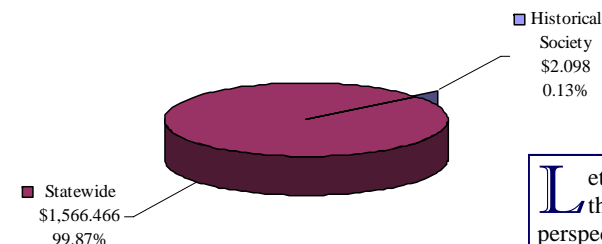
Sept. 2006

This agency profile will discuss...

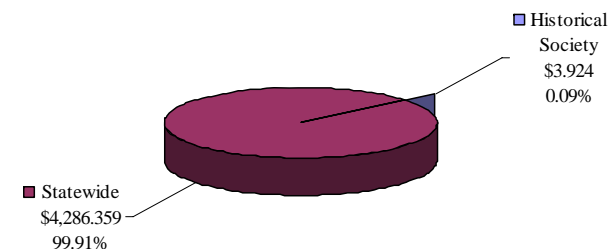
- structure and funding
- primary functions and
- historical expenditures

The profile also includes information on how decisionmakers can effect change in the agency's expenditures along with a listing of pertinent statistics. For an explanation of terms used in this profile, consult the "Background on the Agency Profiles" at: <http://leg.mt.gov/css/fiscal/default.asp>

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General Fund Statewide Comparison
FY 2006 (In Millions)

Let's begin by putting the agency's size in perspective by comparing it to state government as a whole.

Total Funds Statewide Comparison
FY 2006 (In Millions)

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Legislative Fiscal Division

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Section E
Education



What the Agency Does

The Historical Society of Montana was originally organized under the provisions of an act of the Legislative Assembly of the Territory of Montana in 1865. The society received its first appropriation from the State of Montana in 1891. "An act to Perpetuate the Historical Society of the State of Montana," approved in 1949, established the society as an agency of state government.

The Montana Historical Society preserves and protects for future generations the state's historical records, documents, art, archives, places, sites, and monuments. The Society also preserves historical resources important to an understanding of Montana history; presents and provides education and public programs, reference services, exhibits, and publications that interpret Montana's past; and provides technical assistance to all organizations that preserve and interpret additional historic resources. A 15-member board of trustees, appointed by the Governor, directs the society. The Montana Historical Society is located in Helena, Montana, in the state capitol complex.

The society owns the original Governor's Mansion in Helena, which it manages with assistance from a citizen restoration board. It is responsible for preservation of state-owned buildings and artifacts at Virginia and Nevada Cities; the Moss Mansion in Billings; and the Daly Mansion in Hamilton. It leases a facility near the Helena airport for storage of the Scriver exhibit.

The society, through a memorandum of understanding with the Department of Fish, Wildlife, and Parks, administers the preservation of all real property and artifacts and the provision of recreational and educational opportunities at 41 state parks, of which 16 possess predominant cultural value.

Society personnel rely on a wide range of volunteers to accomplish the purposes assigned to them in state law. The Society uses volunteers in various capacities, including but not limited to operating the museum store, giving tours, conducting research, creating exhibits, working in the archives, and providing administrative office assistance. Volunteers contributed approximately 8,300 hours to the Society in FY 2005.



Statewide Factors With Impact

In addition to the factors above, a number of factors common to many agencies will also impact changes in expenditures over time.

The Historical Society equals people providing service; personal service costs are the primary factors that drive expenditures. These factors include the state pay plan and benefits, workers' compensation, and unemployment insurance.



Statutory References

The primary statutory references defining duties and responsibilities of the society are found at the following locations.

22-3-101 through 107, MCA, establish and guide the society
 22-3-1001, MCA, addresses Virginia and Nevada Cities sites
 15-65-121, MCA, governs the accommodations tax funding – "1 percent to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites"



How the Legislature Can Effect Change



In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basis elements that drive costs.

In order to change expenditure levels and/or activity, the legislature might address statutes and policies:

- Governing the authority of the Montana Historical Society and its fee structure
- Governing the publication program and its costs versus service
- Impacting the staff, such as consultation with and support of local sites; applying for, accepting, and expending grant funds; and providing services for the public
- Governing the existence, definition, and location of the society, its collections and services, and equal access to information.

The legislature might also clarify and/or prioritize the activities, collection, and acquisitions of the society.

The legislature is less likely to control:

- Federal legislation impacting museums
- Initiatives or legislation responding to citizen action
- Citizen expectations of web-access museum services
- The amount of information generated, discovered, or donated, print or media, on a state, regional, or federal level that is to be maintained by the society
- The number of citizens needing society services



The Bicentennial Commission

The Legislature established the Bicentennial Commission for coordinating and promoting observance of Montana's bicentennial commemoration of the Lewis and Clark Expedition and the importance of the roles played by Montana's Native American people to the Lewis and Clark Expedition. The commission may cooperate with national, regional, statewide, and local events promoting the bicentennial; plan and coordinate events; engage in fundraising activities; and promote public education concerning the Lewis and Clark Expedition and the history and culture of Montana's Native American people at the time of the Lewis and Clark Expedition. The Bicentennial Commission is administratively attached to the Society. The Commission terminates December 31, 2007.

The Historical Society provides administrative oversight of commission budgeting, recordkeeping, reporting, and related administrative and clerical functions. The society also collects and deposits revenue, provides staff, submits reports and budget requests, and distributes required notices, rules, or orders on behalf of the commission. The director of the Society is responsible for representing the commission in communications with the Governor. The Bicentennial Commission has a separate governing board appointed by the Governor and has its own executive director. Total expenditures for the commission for FY 2006 were \$430,735. Revenue sources include revenue from the sale of commemorative license plates, proceeds from the Lewis and Clark Conference, private and corporate donations, federal grants, and lodging facility use taxes. The Society does not anticipate much activity relating to the Bicentennial Commission in FY 2007.



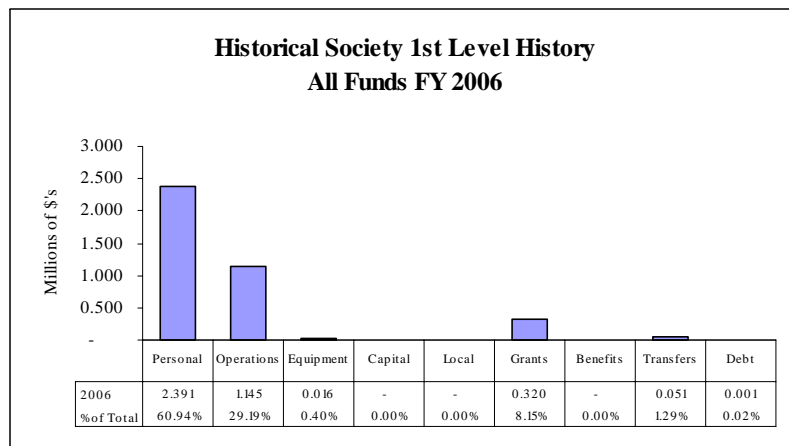
How Services Are Provided

The Montana Historical Society provides the following services through a structure consisting of five programs with a total of 59.59 FTE:

- **Administration** provides supervision and coordination for all programs of the society including public information, accounting, business management, financial reporting, fundraising, and security and building management. The administration program is also responsible for managing the Society's museum store.

- **Library Program** staff operates the society's research center, collecting, organizing, and preserving historical photos, books, and other materials. It also assists the public and staff of other society programs in the use of research materials. This area has three sections: library, archives, and photograph archives.
- **Museum Program** staff collects fine art and historical archeological and ethnological artifacts. This area also conducts research, produces exhibits, sponsors public programs, conducts tours, answers reference requests, and provides technical assistance to other museums.
- **Publications Program** staff works on the quarterly production of Montana, The Magazine of Western History and the Montana Historical Society Press, which produces history books on Montana and the northern plains.
- **Historical Sites Preservation Program** staff provides assistance to people in the state to preserve historic and prehistoric buildings and sites. Staff also distributes federal historic preservation grants to communities throughout the state.
- **Bicentennial Commission** members coordinate and support activities associated with the Lewis and Clark Bicentennial. This program began in 1997 and is scheduled for termination on December 31, 2007.

The number of people paid to undertake the mandated duties drives the society budget. In the following chart, personal services represent 61 percent of the budget.



Agency Functions, State Purposes, & Customers Served

The agency is structured to perform certain functions in support of general state government purposes.

The following lists the major functions, purpose of provision of the functions, and primary customers served.

State Purposes	Major Agency Functions	Customers
<i>The preservation and enhancement of recreational and cultural resources</i>	A library and archive collects and organizes books and photos to allow access to these items by the public.	General public
	A museum collects fine art and artifacts and displays them for the public.	General public
	A publications department prints historical material for the public.	General public
	Historic preservation preserves historic and prehistoric buildings and sites.	General public
	The Lewis and Clark Bicentennial Commission plans and assists others to prepare for the bicentennial.	General public



Reasons for Expenditure Growth/Change



General Fund – the average growth rate for general fund expenditures was 4.4 percent for the period of 1996 through 2006. Funding from this area was increased to offset the interest lost from the Cultural and Aesthetics Trust Fund. FY 2006 increases are the result of pay plan increases and the addition of two state archivist positions.

State Special Funds – the expenditures funded by state special funds increased by 14.2 percent for the period of 1996 through 2006. During 1997, expenditures from this fund increased by \$6.6 million to purchase Virginia and Nevada Cities. These funds were taken from the Cultural and Aesthetics Trust Fund. The removal of funds from this trust decreased the interest earned and transferred to the Historical Society. A corresponding increase in general fund was made to replace this lost interest. An increase of \$219,000 occurred in 2002 mostly due to the funding of the Lewis and Clark Bicentennial Commission and to fund the lease for the storage of the Sriver collection. This funding came from an increase in the allocation of the accommodations tax. Decreases in Lewis and Clark license plate revenue occurred in FY 2005 and FY 2006 and will continue to decrease as the interest in the bicentennial diminishes.

Federal Funds – the expenditures funded by federal funds decreased by 7.6 percent between 1996 and 2006. Federal funding varies year-to-year due to grant amounts and availability.



How Services Are Funded

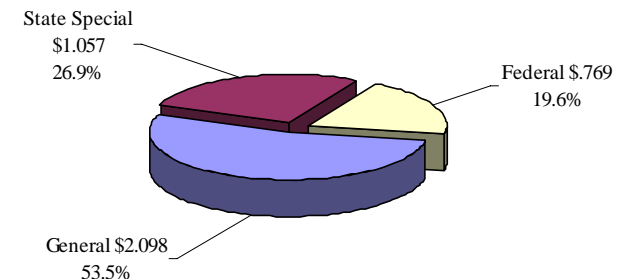
The general fund provides funding for most of the administrative program and segments of other programs for which specific funding services are not generated or available from the federal government.

State special funds include:

- Lodging facility use taxes from the Department of Commerce that fund Historical Interpretation, the Sriver Collection, Lewis and Clark Exhibit and Interpretation, and the Lewis and Clark Bicentennial Commission
- Entrance fees charged at the museum and original Governor's Mansion, sales of photographs, photocopies, books, magazines, and other merchandise at the store used to support programs generating the revenue
- Donations and earnings from memorial trusts used to support museum exhibits, administration, and the publications program.

Federal funds include the National Endowment for the Humanities supporting museum projects, federal National Park Service funds for the preservation of sites with historical value, and funding for the Lewis and Clark Bicentennial. About \$500,000 is distributed each year to communities throughout the state, to professional societies working on historical preservation, and educational grants.

**Historical Society Funding History
All First Level FY 2006**





Related Data & Statistics

<i>Element</i>	<i>1996</i>	<i>2006</i>	<i>Significance of Data</i>
Museum visitors	83,697	39,955	Fees were not charged until Feb. 2002 – decreases beyond 2004 result in fewer fees
Visitors to archives, library, and photograph archives	3,550	11,861	Increased wear on equipment, increase in workload
Participants in public programs/outreach	42,829	39,288	Reflects funding cutback in the program
*Requests for archive, library, photo reproduction, and historical preservation	5,558	18,610	Increased workload/increased revenue
*Electronic requests	1,965	2,265	Reflects use of Internet
Historic preservation data base	32,076	45,313	Increased workload
** Current collections	2004		
Art & artifacts	56,084	58,000	These categories are the Historical Society's
Books, maps, historic oral interviews	118,000	57,200	Increases occur when new discoveries are made
Linear feet of archival materials	20,000	25,000	collections donated
Historic photographs	450,000	400,000	

* Museums and libraries are facing rapid change/growth in demand for digital data and use of electronic media. Reference services and electronic requests demonstrate a shift in how patrons locate and obtain data and information. National expectations are that this upward trend should continue with additional information available via web-based services.

** These categories are the core of the Montana Historical Society. Growth occurs when there is a new discovery, a permanent collection is donated or funded, or items are donated to archive.



Expenditure History

